

633A.4213 Duty to inform and account.

A trustee of an irrevocable trust shall keep the qualified beneficiaries of the trust reasonably informed about the administration of the trust and the material facts necessary to protect the beneficiaries' interests.

1. The trustee shall inform each qualified beneficiary of the beneficiary's right to receive an annual accounting and a copy of the trust instrument. The trustee shall also inform each qualified beneficiary about the process necessary to obtain an annual accounting or a copy of the trust instrument, if not provided. The trustee shall further inform each qualified beneficiary whether the beneficiary will, or will not, receive an annual accounting if the beneficiary fails to take any action. If a qualified beneficiary has previously been provided the notice required by this section, additional notice shall not be required due to a change of trustees or a change in the composition of the qualified beneficiaries.

2. The trustee shall provide the notice required in subsection 1 to each qualified beneficiary within a reasonable time following any of the following events:

- a. The commencement of the trust administration.
- b. The trustee becoming aware that there is a new qualified beneficiary or a representative of any minor or incompetent beneficiary.
- c. The trust becoming irrevocable.
- d. The time that no person, except the trustee, has the right to change the beneficiaries of the trust.

3. Except as provided in subsection 4, a trustee shall provide annually to each adult beneficiary and the representative of any minor or incompetent beneficiary who may receive a distribution of income or principal during the accounting time period, an accounting, unless an accounting has been waived specifically for that accounting time period.

4. If a settlor has retained the right to change the beneficiaries of the trust or if a party is the holder of a presently exercisable general power of appointment, the trustee shall only be required to report to the settlor or the party.

5. a. If the trustee has refused, after written request, to provide an accounting or other required notice under this section to a qualified beneficiary, the court may do any of the following:

- (1) Order the trustee to comply with the trustee's duties under this section.
- (2) Assess costs, including attorney fees, against the trustee personally.

b. Except as provided in paragraph "a", the only consequence to a trustee's failure to provide the required accounting or notice is that the trustee shall not be able to rely upon the statute of limitations under section 633A.4504.

6. The format and content of an accounting required by this section shall be within the discretion of the trustee, as long as sufficient to reasonably inform the beneficiary of the condition and activities of the trust during the accounting period.

7. This section does not apply to any trust created prior to July 1, 2002. This section applies to any trust created on or after July 1, 2002, unless the settlor has specifically waived the requirements of this section in the trust instrument. Waiver of this section shall not bar any beneficiary's common-law right to an accounting, and shall not provide any immunity to a trustee, acting under the terms of the trust, for liability to any beneficiary who discovers facts giving rise to a cause of action against the trustee.

99 Acts, ch 125, §59, 109

C2001, §633.4213

2001 Acts, ch 176, §78; 2002 Acts, ch 1107, §12; 2002 Acts, ch 1175, §93; 2003 Acts, ch 95, §15; 2005 Acts, ch 38, §54, 55

CS2005, §633A.4213

2006 Acts, ch 1104, §12, 13, 16; 2012 Acts, ch 1123, §27

Referred to in §633A.3110, 633A.4202, 633A.4502, 633A.4504, 633A.5107